

Message Text

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PAGE 01 ADDIS 12344 151108Z
ACTION AF-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04
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TO SECSTATE WASHDC 2027
INFO AMEMBASSY CAIRO
AMEMBASSY BONN
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY MOGADISCIO
AMEMBASSY MOSCOW
AMEMBASSY NAIROBI
AMEMBASSY PARIS
AMEMBASSY SANA

C O N F I D E N T I A L ADDIS ABABA 12344

E.O. 11652: GDS
TAGS: PINT,FT,ECON
SUBJECT: ABDALLAH KAMIL'S BUDGET SPEECH

REF: A. ADDIS 12049, B.PARIS 34826, C. MOGADISCIO 1962

PART I OF II

SUMMARY: DECEMBER 4 REVEIL DE DJIBOUTI CARRIED TEXT OF NOVEMBER 30
BUDGET SPEECH BY ABDALLAH, WHICH IS EFFECT "STATE OF TERRITORY"
MESSAGE. HE INDICATED GRADUAL POLICY OF "AFRICANIZATION" OF
BUREAUCRACY, STRESSED NEED FOR SOUND MONETARY POLICY, INTRODUCED
AUSTERITY BUDGET, AND WARNED BUSINESS COMMUNITY OF POSSIBLE
GOVERNMENT ACTIONS IF IT FAILED COOPERATE WITH GOVERNMENT EFFORTS
TO MAINTAIN IMPORT AND PRICE LEVELS. SIZE OF TERRITORIAL SECURITY
FORCES EXPECTED TO BE FROM 2,500 TO 3,000 AT INDEPENDENCE
OR HALF SIZE DEEMED NECESSARY IN LONG RUN. TEXT BEING
POUCHED AF/E. PART I OF THIS MESSAGE COVERS ABDALLAH'S RE-
VIEW OF HIS GOVERNMENT AND ITS PLANS FOR PRE-INDEPENDENCE
PERIOD. PART II COVERS AUSTERITY BUDGET. END SUMMARY.

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PAGE 02 ADDIS 12344 151108Z

1. ABDALLAH BEGAN SPEECH BY REVIEWING DEVELOPMENTS DURING HIS FOUR MONTHS IN OFFICE, CAREFULLY NOTING POSITIVE AND ACTIVE ASSISTANCE OF LPAL. HE REVIEWED STATUS OF NATIONALITY LEGISLATION, NOTED DIFFICULTIES WHAT HAD BEEN ENCOUNTERED IN ITS IMPLEMENTATION, AND INDICATED THAT WITH ADDITIONAL PERSONNEL PROMISED BY DOM-TOM MINISTER STIRN HE WAS OPTIMISTIC ABOUT OUTCOME.

2. WITH RESPECT TO TRANSFER OF GOVERNMENT POSTS ("AFRICANIZATION"), ABDALLAH INDICATED THAT AFTER INITIAL WAVERING ON THIS SUBJECT, HIS GOVERNMENT HAD ADOPTED SURE AND JUST POLICY BASED ON EQUALITY OF OPPORTUNITY AND DETRIBALIZATION. LIST OF POSTS TO BE AFRICANIZED HAS BEEN DRAWN UP, WITH POSTS AT PRESENT FEW AND LIMITED TO SUBALTERN POSITIONS. REPLACEMENT OF EXISTING FRENCH TECHNICIANS IN GOVERNMENT WOULD HAVE TO AWAIT RETURN OF TFAI STUDENTS FROM FRENCH UNIVERSITIES AND GRADUATION OF STUDENTS FROM PROPOSED ADMINISTRATIVE AND TECHNICAL SCHOOLS TO BE CREATED IN DJIBOUTI. GOVERNMENT HAD INCREASED NUMBER OF STUDENTS IN FRANCE FROM 67 TO 250 AND WAS STUDYING POSSIBILITY OF OPENING SCHOOL FOR ADMINISTRATIVE AND JUDICIAL PERSONNEL AS WELL AS SCHOOL FOR TECHNICAL CADRES IN EARLY 1977. ABDALLAH ALSO INDICATED THAT HE HAD BEEN IN TOUCH WITH SEVERAL FRANCOPHONE AFRICAN STATES IN SEARCH FOR ASSISTANCE IN DOMAIN OF CADRE FORMATION.

3. ABDALLAH STATED THAT GOVERNMENT ADDRESSING QUESTIONS OF NAME FOR FUTURE STATE, FLAG, NATIONAL ANTHEM, TRANSFER OF AUTHORITY OF SERVICES SOLELY PROVIDED BY FRENCH GOVERNMENT (E.G. JUSTICE, CIVIL AVIATION, TELECOMMUNICATIONS), CREATION OF NATIONAL ARMY, FOREIGN POLICY AND NATIONAL CURRENCY, AND, FINALLY, CREATION OF NATIONAL UNITY BEFORE INDEPENDENCE. ABDALLAH INDICATED THAT JANUARY MEETING IN PARIS WOULD SET STEPS TO BE TAKEN PRIOR TO INDEPENDENCE, AND THAT HIS GOVERNMENT WOULD BE INTENSIFYING ITS EFFORTS IN COMING WEEKS TO CREATE NATIONAL UNITY. HE STATED CONSENSUS REACHED TO NAME FUTURE STATE REPUBLIC OF DJIBOUTI (ROD) AND THAT SELECTION OF NATIONAL ANTHEM COULD BE LEFT TO SPECIALISTS. TRANSFER OF SOLELY FRENCH MINISTRIES WOULD TAKE PLACE AT MOMENT OF INDEPENDENCE, AND PREPARATIONS FOR TRANSFER WOULD BE UNDERTAKEN BY GOVERNMENT COMMISSIONERS UNDER HIS AUTHORITY. CONFIDENTIAL

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PAGE 03 ADDIS 12344 151108Z

4. ON MILITARY POLICY, ABDALLAH STATED ROD NEEDED SECURITY FORCES OF APPROXIMATELY 6,000 MEN, BUT THAT THIS FORCE LEVEL COULD NOT BE MET FOR SEVERAL YEARS. AT DATE OF INDEPENDENCE, ROD COULD EXPECT TO HAVE FORCE IN EXISTENCE OF FROM 2,500 TO 3,000 MEN, AND GOF PREPARED TO FURNISH ECONOMIC AND TECHNICAL ASSISTANCE TO MAKE THIS REALITY. ABDALLAH ADDED CAVEAT THAT FUTURE STATE WOULD HAVE TO DECIDE ORIENTATION IT WISHED TO GIVE

TO ITS POLITICAL DECISIONS ON MILITARY MATTERS.

5. WITH RESPECT TO DJIBOUTI FRANC, ABDALLAH EMPHAZIED STRENGTH OF PRESENT CURRENCY GUARANTEED BY FRENCH TREASURY IN FORM OF DOLLAR DEPOSITS IN FRANCO-AMERICAN BANK IN NEW YORK. ONCE INDEPENDENT, ROD WOULD CREAT A COINING AGENCY (INSTITUT D'EMISSIONS) TO CONTROL MONETARY POLICY. HE INDICATED THAT ROD MUST MAINTAIN CONVERTIBILITY OF DJIBOUTI FRANC TO US DOLLAR, AND THAT TO DO OTHERWISE WOULD BE ECONOMIC SUCIDE. IN ORDER TO MAINTAIN PRESENT STATUS OF DJIBOUTI FRANC, FRENCH GOVERNMENT WOULD HAVE TO CONTINUE TO GUARANTEE DJIBOUTI FRANC AND FUTURE GOVERNMENT WOULD HAVE TO HAVE DISCIPLINED OMNETARY POLICY.

6. ON GENERAL ECONOMIC POLICY, ABDALLAH STATED THAT IF ROD AT BERY BEGINNING OF ITS EXISTENCE COULD ONLY OPT FOR LIBERAL APPROACH BASED ON ITS SERVICE ECONOMY, THIS DID NOT MEAN THAT PRESENT GOVERNMENT COULD TOLERATE "LAW OF JUNGLE" IN INTERNAL COMMERCE. HE CALLED FOR RESPONSIBLE ACTIONS BY COMMERCIAL CLASS IN PRE-INDEPENDENCE PERIOD TO ASSURE THAT SUPPLY OF GOODS MAINTAINED, AND AT HONEST PRICES. IF THERE WAS NO RESPONSE TO HIS APPEAL, GOVERNMENT WOULD TAKE NECESSARY STEPS TO MAINTAIN IMPORT AND PRICE LEVELS. ON HIS PART ABDALLAH INDICATED HIS HOPE THAT SUCH MEASURES WOULD NOT BE NECESSARY, AS THIS WOULD AMOUNT TO STATE CONTROL OVER LOCAL COMMERCE. OBJECT OF HIS APPEAL WAS THAT PRIVATE SECTOR MAINTAIN ITS CONFIDENCE IN FUTURE OF COUNTRY.

7. ABDALLAH WAS CAREFULLY NON-COMMITTAL ON FOREIGN POLICY OF FUTURE RO, BUT STATED IMPORTANCE HIS GOVERNMENT PLACED ON ACCEPTABILITY OF ROD AT INDEPENDENCE TO INTERNATIONAL COMMUNITY. IT WOULD BE NECESSARY TO UTILIZE ALL POSSIBLE OCCASIONS TO AFFIRM NATIONAL EXISTENCE OF ROD TO INTERNATIONAL CONFIDENTIAL

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PAGE 04 ADDIS 12344 151108Z

COMMUNITY. IN THIS REGARD, HE HAD BEEN GIVEN RESPONSIBILITY TO LEAD RECENT GOVERNMENT-LPAI DELEGATION TO UN, WHERE HE TOOK POSITION THAT "WE HAVE DECIDED TO WIN AND TO CONSERVE AN INDEPENDENCE WITHOUT CONDITIONS OR RESTRICTIONS", AND "WE DO NOT WISH TO REPLACE ONE COLONIZATION BY ANTOHER",. ON SUBJECT OF GUARANTEES FOR TERRITORY, ABDALLAH STATED THAT GUARANTTEES BY NEIGHBORING STATES WERE NOT NECESSARY, BUT INDICATED HE HAD ASKED BOTH NEIGHBORS TO HONOR AND RESPECT SOVERIENGY AND TERRITORIAL INTEGRITY OF TFAI AND REFRAIN FROM INTERVENTION IN ITS INTERNAL AFFAIRS. ABDALLAH ALSO STATED THAT BEFORE DEPARTING NEW YORK, HE HAD ASKED OAU MEMBERS TO SPONSOR RESOLUTION BASED ON ABOVE-MENTIONED POINTS.

8. ABDALLAH CLOSED FIRST SECTION OF SPEECH BY NOTING THAT HE HAD ACCEPTED WITH PLEASURE INVITATION BY GSDR TO VISIT SOMALIA

DURING DECEMBER (MOGADISCIO 1962).
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